

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JULY 21, 2008

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

John Morgan, Comptroller of the Treasury

OTHERS PRESENT

Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Charles Harrison, Comptroller's Office
Jurgen Bailey, Real Property Administration
Bob King, Real Property Administration
Janie Porter, Attorney General's Office
Jerry Preston, Tennessee Board of Regents
Pat Gregory, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Mike Baumstark, Department of Environment and
Conservation
Fred Hix, Mental Retardation Services
Steve Norris, Mental Retardation Services
Dianne Naff, TN Parks & Greenways Foundation
Kathleen Williams, TN Parks & Greenways
Foundation
Nathan Burton, Treasurer's Office
Karen Hale, Comptroller's Office

Lola Potter, Department of Finance &
Administration
Mike Morrow, Department of Finance &
Administration
John Carr, Department of Finance & Administration
Cindy Liddell, Bond Finance
Sandi Thompson, Bond Finance
Annette Crutchfield, Legislative Budget
Russ Deaton, THEC
Stephanie Steele, THEC
Nancy Blevins, Department of Finance &
Administration

Commissioner Goetz called the meeting to order at 10:35 a.m. and requested action on the following matters as presented by Assistant State Architect Alan Robertson.

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CONSENT AGENDA

Approved the following real property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Knox County
Transaction: Acquisition in fee
- B. Agency: University of Tennessee – Knox County
Transaction: Amendment of prior approval
- C. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Disposal by fee
Provision: Waiver of Advertisement & Appraisals
- D. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Lease Agreement
- E. Agency: Tennessee Board of Regents – Shelby County
Transaction: Lease Amendment
- F. Agency: Department of Correction - Franklin County
Transaction: Disposal by lease
Provision: Waiver of Advertisement & Appraisals
- G. Agency: Tennessee Wildlife Resources Agency – Hamilton County
Transaction: Disposal by easement
Provision: Waiver of Advertisement & Appraisals
- H. Agency: Tennessee Wildlife Resources Agency – Unicoi & Washington Counties
Transaction: Acquisition for equal value exchange
Provision: Waiver of Advertisement & One (1) Appraisal
- I. Agency: Tennessee Wildlife Resources Agency – Franklin County
Transaction: Acquisition by easement
Provision: Waiver of Advertisement & One (1) Appraisals
- J. Agency: Tennessee Wildlife Resources Agency – Hawkins County
Transaction: Acquisition in fee

- K. Agency: Department of Environment & Conservation – Franklin County
Transaction: Acquisition in fee
- L. Agency: Department of Environment & Conservation – Decatur County
Transaction: Acquisition in fee
- M. Agency: Department of Environment & Conservation – Cheatham County
Transaction: Disposal by lease
- N. Agency: Department of Environment & Conservation – Grundy County
Transaction: Acquisition in fee
- O. Agency: Department of Environment & Conservation – Grundy County
Transaction: Acquisition by gift
- P. Agency: Department of Environment & Conservation – Davidson County
Transaction: Acquisition in fee
- Q. Agency: Department of Labor & Workforce Development – Shelby County
Transaction: Lease agreement
Provision: Waiver of Advertisement
- R. Agency: Department of Children’s Services – Knox County
Transaction: Lease agreement
- S. Agency: Tennessee Ethics Commission – Davidson County
Transaction: Lease agreement
- T. Agency: F & A for Community Services Agency – Shelby County
Transaction: Lease agreement
- U. Agency: Department of Human Services – Carter County
Transaction: Lease agreement

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Rutherford County – Alumni Drive, Murfreesboro, TN – Trans. No. 08-06-014 (AM)</u>
Purpose:	Disposal by easement to developer for ingress & egress easement across MTSU's property
Estimated Sale Price:	Gift
Grantee:	Stephen Long
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Jerry Preston stated that this easement was necessary for the developer to access his property at one of two required locations. Staff referred to Sub-Committee with recommendation.
SC Action:	07-21-08. Jurgen Bailey presented the transaction. Jerry Preston displayed a map and further explained the transaction. After general discussion, Subcommittee approved the request as presented

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Cheatham County – 69 +/- acres – Mound Bottom, Kingston Springs, TN – Trans. No. 08-04-017 (FB)

Purpose: Acquisition in fee to improve access to Mound Bottom State Archaeological site

Source of Funding: TDEC

Estimated Cost: Fair Market Value

Owner(s): L. Robert Lampley, Jr.

SSC Report: 07-14-08. Jurgen Bailey summarized the transaction. Requested approval for Tennessee Parks and Greenway Foundation to step in and negotiate a purchase price with owners who have fallen on financial difficulties. This tract is a high priority for TDEC. This transaction will be brought back for State's approval to acquire. Staff referred to Sub-Committee with recommendation.

SC Action: 07-14-08. Jurgen Bailey presented the transaction. Treasurer Sims stated that the ultimate purchase price will be no greater than the fair market value and normal acquisition expenses, and under those conditions, the State is pre-approving or committing to this purchase. He further disclosed, as did Secretary of State Darnell, that he is a member of the Board of Parkways. After discussion, the request was approved as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Shelby County – 47.808 +/- acres (three (3) tracts) – Campus of Arlington Development Center, Arlington, TN – Trans. No. 08-06-023 (FB)</u>
Purpose:	Disposal in fee to convey tracts to the City of Arlington in fee simple. These tracts currently have long-term leases on them with the City of Arlington.
Estimated Sale Price:	Mutual Benefits
Grantee:	City of Arlington
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Currently approximately 73 acres are leased to City of Arlington; 47.8 acres are improved with baseball fields, soccer fields and parking. The City has invested \$1.5 million in that property; 23 acres are needed by Mental Retardation for building of residential homes. Mental Retardation will not need the 47.8 acres for any State purposes. Staff referred to Sub-Committee for discussion.
SC Action:	07-21-08. Jurgen Bailey presented the transaction. Secretary of State Darnell asked Commissioner Norris if the State will need this property in the future, and was told "no". Secretary Darnell stated that they gave the City of Arlington a lease hold for free and now want to get a portion back, but, in order to do that, they have to give them 47 acres. Commissioner Norris stated that this has not been a contentious transaction and the County merely requested the improved 47 acres. He said the lease could be canceled with a 5-year notice and the County reimbursed for the \$1.5 million they have invested, but he felt it was in the best interest of the State to follow this course as presented. Treasurer Sims asked if there was going to be any local resistance of these group homes going on the property. Commissioner Norris responded that there has been no opposition. After discussion, the Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of APPRAISALS and REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 0 Beechrum Cove (lot 18), Memphis, TN – Trans. No. 08-06-007 (BW)</u>
Purpose:	Acquisition in fee to house MRS clients in a 4 bedroom unit.
Source of Funding:	G. O. Bonds – Chapter 338, Public Acts of 2003
Estimated Cost:	\$535,000.00
Owner(s):	Riverview Kansas Community Development Corporation
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. These prototype homes were approved by DMRS, Bond Finance, Comptroller's Office and THDA on July 24, 2006. This will be one of 9 or 10 homes to be built. Staff referred to Sub-Committee with recommendation.
SC Action:	07-21-08. Jurgen Bailey presented the transaction and stated that this and the next three transactions were all related. Steve Norris commented that operational agreements would be developed, and that the State would be getting a very good product that will be there for 30 years. After general discussion, Subcommittee approved all four requests as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of APPRAISALS and REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – James Road (lot 11), Memphis, TN – Trans. No. 08-06-008 (BW)</u>
Purpose:	Acquisition in fee to house MRS clients in a 4 bedroom unit.
Source of Funding:	G. O. Bonds – Chapter 338, Public Acts of 2003
Estimated Cost:	\$500,000.00
Owner(s):	Riverview Kansas Community Development Corporation
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. These prototype homes were approved by DMRS, Bond Finance, Comptroller's Office and THDA on July 24, 2006. This will be one of 9 or 10 homes to be built. Staff referred to Sub-Committee with recommendation.
SC Action:	07-21-08. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of APPRAISALS and REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 3432 Allen Road, Memphis, TN – Trans. No. 08-06-009 (BW)

Purpose: Acquisition in fee to house MRS clients in a 4 bedroom unit.

Source of Funding: G. O. Bonds – Chapter 338, Public Acts of 2003

Estimated Cost: \$500,000.00

Owner(s): Riverview Kansas Community Development Corporation

SSC Report: 07-14-08. Jurgen Bailey summarized the transaction. These prototype homes were approved by DMRS, Bond Finance, Comptroller's Office and THDA on July 24, 2006. This will be one of 9 or 10 homes to be built. Staff referred to Sub-Committee with recommendation.

SC Action: 07-21-08. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of APPRAISALS and REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – 3783 Egypt Central Road, Memphis, TN – Trans. No. 08-06-010 (BW)</u>
Purpose:	Acquisition in fee to house MRS clients in a 4 bedroom unit.
Source of Funding:	G. O. Bonds – Chapter 338, Public Acts of 2003
Estimated Cost:	\$485,000.00
Owner(s):	Riverview Kansas Community Development Corporation
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. These prototype homes were approved by DMRS, Bond Finance, Comptroller's Office and THDA on July 24, 2006. This will be one of 9 or 10 homes to be built. Staff referred to Sub-Committee with recommendation.
SC Action:	07-21-08. Subcommittee approved the request as presented.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meetings held on June 26 and July 10, 2008.

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There being no further action, the meeting adjourned at 10:50 a.m.

CONSENT AGENDA ITEMS

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to EXERCISE OPTION to ACQUIRE, with WAIVER of APPRAISALS required interest in the following BUILDING AND IMPROVEMENTS, not to exceed the cost of the debt owed by Phi Sigma Kappa for the cost of the improvements:

Description:	<u>Knox County – Interest only of building and improvements – 1800 Fraternity Park Drive, Knoxville, TN – Trans. No. 08-07-004 (FB)</u>
Purpose:	Acquisition of the interest only in the building and improvements currently owned by Phi Sigma Kappa. In a separate transaction, the University proposes to lease the building and improvements back to Phi Sigma Kappa under Trans. No. 07-12-021 for the amount of the debt (estimated at \$805,000).
Source of Funding:	Tennessee State School Board Authority (Fraternity Lease payments)
Estimated Cost:	Not to exceed the cost of the debt owed by Phi Sigma Kappa for the cost of the improvements.
Owner(s):	Land: University of Tennessee Building & improvements: Phi Sigma Kappa
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Alvin Payne stated Phi Sigma Kappa is refinancing thru the TN. School Bond Authority. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

B.

UNIVERSITY OF TENNESSEE

LEASE ITEM

Amendment of Prior Approval – Approval to Amend Fraternity List for future Lease(s):

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER OF ADVERTISEMENT AND APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Knox County – 1501 Pat Head Summitt Street, 220 Terrace Avenue, 2008 Terrace Avenue, and 0 Kingston Pike in Knoxville, TN. -- Trans. No. 07-12-021 (AM)</u>
Purpose:	Approval of the Template Lease for use with each of the listed fraternity and sorority Chapters including reasonable Addendums with wavier of advertisement.
Term:	Fifty (50) years, with one (1) fifty (50) year option to renew.
Amount:	Lease payments shall include debt service, operation and maintenance services (performed by the University), maintenance reserve fund, insurance, utilities, computer network services, and other expenses for which the University should be reimbursed. Land rental payments will not be required by the University. Each Chapter shall accrue an equity interest in the property improvements as determined by an independent appraisal.
Lessee:	Fraternity House Corporation
Comment:	Request for approval to add the following fraternities to the previously approved list of fraternities for future Leases under the same previously approved terms and conditions.
Comment:	The University proposes to construct new and renovate existing fraternity houses at Fraternity Park and construct new sorority houses at Sorority Village. In 1964 the University leased land at Fraternity Park allowing fraternities to construct and/or occupy their respective houses. These houses now require extensive renovations. Sorority Village will be a new development. Sororities are currently located in the University's Pan-Hellenic Building which is antiquated and no longer meets the needs of the sororities.
SSC Report:	01-14-08. Jurgen Bailey summarized the transaction. Attorney General and Bond Finance Dept. have reviewed and approved the template lease. Staff referred to Sub-Committee with recommendation.
SC Action:	01-22-08. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

University of Tennessee – continued:

- SSC Report: 07-14-08. Jurgen Bailey summarized the transaction. Alvin Payne stated that UT was adding the list of 18 fraternities / sororities for future template leases. Staff referred to Sub-Committee for consent agenda.
- SC Action: 07-21-08. Subcommittee approved the transaction as presented.

C.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Montgomery County – Castle Heights Subdivision, Clarksville, TN – Trans. No. 08-06-024 (BW)</u>
Purpose:	Disposal in Fee to swap of two (2) properties of equal width (18 ft) for proposed Austin Peay State University undergraduate housing complex.
Original Cost to State:	\$39,750.00
Date of Original Conveyance:	June 29, 1988
Estimated Sale Price:	Equal value land exchange
Grantee:	Tennessee Board of Regents
Comment:	Exchange of property to allow access to the Castle Height Subdivision Park.
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Jerry Preston stated that there were three (3) options in doing this access change. The land swap was the least controversial. The other two (2) options were condemnation and/or buying the interest from each of sixteen property owners. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

D.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Rutherford County – Greek Row, Murfreesboro, TN – Trans. No. 08-06-918

Purpose: To provide housing for student in the Fraternity house in MTSU's Greek Row complex.

Term: August 1, 2008 thru July 31, 2009 (1 yr) with the option to renew for an additional one (1) year

Proposed Amount: 13,859 Feet

Annual Contract Rent:	\$ 89,040.00	@\$6.42/sf
Est. Annual Utility Cost:	\$ 19,402.60	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 15,244.90</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$123,687.50	@\$8.92/sf

Current Amount: 13,859 Square Feet

Annual Contract Rent:	\$ 85,200.00	@\$6.15/sf
Est. Annual Utility Cost:	\$ 19,402.60	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 15,244.90</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$119,847.50	@\$8.65/sf

Type: New Lease

Purchase Option: No

Lessee: Alpha Tau Omega Housing Corporation

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

E.

TENNESSEE BOARD OF REGENTS

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 500 Winchester Blvd., Collierville, TN – Trans. No. 08-06-912 (LB)

Purpose: To provide classrooms/office/computer rooms spaces for the University of Memphis

Term: January 1, 2009 thru December 31, 2009 (1 yr)

Proposed Amount: 19,800 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$195,658.80 @ \$9.88/sf
Total Annual Effective Cost: \$195,658.80 @ \$9.88/sf

Current Amount: 19,800 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$189,960.00 @ \$9.59/sf
Total Annual Effective Cost: \$189,960.00 @ \$9.59/sf

Type: Amendment #10 – Negotiated (Amendments 1 thru 6 was never done thru Staff Sub Committee it was handled by BOR)

FRF Rate: \$18.00 per square foot

Lessor: Carrier Corporation

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

F.

DEPARTMENT OF CORRECTIONS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Franklin County – 5.015 +/- acres – US Hwy 41A, Tullahoma, TN – Trans. No. 08-07-001 (FB)</u>
Purpose:	Disposal by lease to renewal of a ten (10) year lease allowing lessee to continue to sub-lease property for Interlocal Solid Waste Authority to transfer solid waste.
Term:	Ten (10) Years
Consideration:	\$1,400.00 per year
Lessee:	Interlocal Solid Waste Authority
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Property will be appraised to determine fair market value. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

G.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Hamilton County – 1/8 +/- acres (30' x 30') – Chattanooga, TN – Trans No. 08-06-003 (RJ)</u>
Purpose:	Disposal by easement to facilitate a road improvement project.
Estimated Sale Price:	Gift
Grantee:	City of Chattanooga
Comment:	TWRA wishes to grant this small easement at no cost.
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Unicoi & Washington Counties – 306 +/- acres – Erwin, TN – Trans No. 08-06-011 (RJ)</u>
Purpose:	TWRA and Lucky Cove Corporation like to conduct an equal value exchange; the exchange will allow some consolidation of State lands that have been separated by a narrow strip of private land.
Source of Funding:	License sales - \$4,000
Estimated Cost:	Fair Market Value
Owner(s):	TWRA & Lucky Cove Corporation
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Franklin County – 0.01 +/- acres (300 ft by 12 ft) – Cowan, TN – Trans No. 08-06-012 (RJ)</u>
Purpose:	Acquisition by easement of Mr. Ingle's corner property cuts off access between two TWRA parcels; easement will be for five (5) years.
Source of Funding:	Licenses Revenue - \$1,000
Estimated Cost:	Gift
Owner(s):	John Ingle
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hawkins County – 101 +/- acres – Rogersville, TN – Trans. No. 08-06-013 (RJ)</u>
Purpose:	Acquisition in fee to acquire a cave and surrounding habitat to protect two endangered species of bats.
Source of Funding:	Federal funds - \$225,000.00 Private funds - \$70,000.00
Estimated Cost:	Fair Market Value
Owner(s):	The Nature Conservancy
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. No State monies will be needed to fund this acquisition. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

K.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Franklin County – 500 +/- acres – Sewanee, TN – Trans. No. 08-04-015 (RJ)

Purpose: Acquisition in fee to protect endangered plant Clematis Morefield as well Cumberland Rosinweed & threatened Eggert's sunflower. Tract includes much of the view shed and watershed of Buggytop Cave.

Source of Funding: State Land Acquisition Fund - \$550,000.00

Estimated Cost: Fair Market Value

Owner(s): James R. Braswell

SSC Report: 07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Decatur County – 41.794 +/- acres – Decaturville, TN – Trans. No. 08-04-016 (RJ)</u>
Purpose:	Acquisition in fee for the owner to sell to the State, tract adjacent to Carroll Cabin Barrens SNA.
Source of Funding:	State Land Acquisition Fund - \$250,000.00
Estimated Cost:	\$250,000
Owner(s):	Guy Y. Marsh
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

M.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Carter County – 693.29 +/- acres – Hampton Creek Cove State Natural Area, Elizabethton, TN – Trans. No. 08-06-002 (FB)</u>
Purpose:	Disposal by lease to continue the lease for the third time with Southern Appalachian Highland Conservancy, Inc
Source of Funding:	TDEC / Division of Natural Areas
Estimated Cost:	No cost except for processing fees
Owner(s):	Southern Appalachian Highland Conservancy, Inc.
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Grundy County – 151 +/- acres – Ranger Creek Gulf, Tracy City, TN – Trans. No. 08-06-016 (FB)</u>
Purpose:	Acquisition in fee for the upper watershed of Ranger Creek Gulf
Source of Funding:	TDEC
Estimated Cost:	\$15,000.00
Owner(s):	Monette Anthony Developments, LLC
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Grundy County – 40 +/- acres – Ranger Creek Gulf, Tracy City, TN – Trans. No. 08-06-015 (FB)

Purpose: Acquisition by gift of a conservation easement for Ranger Creek Gulf

Source of Funding: TDEC

Estimated Cost: \$5,500.00

Owner(s): Monette Anthony Developments, LLC

SSC Report: 07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 6 +/- acres – Couchville Cedar Glade State Natural Area, Hermitage, TN – 08-06-017 (FB)</u>
Purpose:	Acquisition in fee of an inholding in the Couchville Cedar Glade State Natural Area and also controls informal access to the SNA
Source of Funding:	TDEC
Estimated Cost:	\$120,000.00
Owner(s):	Joe P. & Sherry L. Allen
SSC Report:	07-14-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	07-21-08. Subcommittee approved the transaction as presented.

Q.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Shelby County – 5368 South Mendenhall Mall, Memphis, TN –Trans. No. 08-06-906 (AL)

Purpose: To provide office space for county operations

Term: July 1, 2008 thru June 30, 2009 (1 yr)

Proposed Amount: 6,521 Square Feet
Annual Contract Rent Incl. Annual
Utility & Janitorial Cost: \$88,033.50 @\$13.50/sf
Total Annual Effective Cost: \$88,033.50 @\$13.50/sf

Current Amount: Property was owned by the City – for no charge

Type: New One (1) Emergency Lease

FRF Rate: \$18.00

Purchase Option: No – multi tenant

Lessor: Belz Enterprises

Comment: The proposed lease has no cancellation except for cause and/or lack of funding. Lessor is to furnish utilities & janitorial services.

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

R.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Knox County – 400 Harriett Tubman Street, Knoxville, TN – Trans. No. 08-03-904 (JS)

Purpose: To provide office space for Child Protective Services Unit

Term: September 1, 2008 thru August 31, 2013 (5 yrs)

Proposed Amount: 4,600 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$64,404.00 @\$14.00/sf
Total Annual Effective Cost: \$64,404.00 @\$14.00/sf

Current Amount: State owned office bldg. on Henley Street

Type: New Lease – Negotiated with the Knox County Sheriff & Police Department

FRF Rate: \$18.00

Purchase Option: No – Multi tenants and County bldg.

Lessor: Knox County

Comment: The proposed lease was negotiated with the Knox County Sheriff & Police Department. SUBCOMMITTEE agrees that this arrangement will be beneficial to all parties. No cancellation except for cause and/or lack of funding.

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Subcommittee Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

S.

TENNESSEE ETHICS COMMISSION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 201 – 4th Avenue North, Nashville, TN – Trans. No. 07-06-901 (AL)

Purpose: To provide office space

Term: July 1, 2008 thru June 20, 2013 (5 yrs)

Proposed Amount: 2,841 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$52,558.50 @\$18.50/sf
Total Annual Effective Cost: \$52,558.50 @\$18.50/sf

Current Amount: 2,841 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$49,717.56 @\$17.50/sf
Total Annual Effective Cost: \$49,717.56 @\$17.50/sf

Type: New Lease – Advertised – Received only one (1) proposal from the current lessor.

FRF Rate: \$18.00

Purchase Option: No – multi tenant

Lessor: Nashville Office Associates, LP

Comment: The proposed lease has no cancellation except for cause and/or lack of funding.
Lessor is to furnish utilities & janitorial services.

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

T.

FINANCE & ADMINISTRATION
for
COMMUNITY SERVICES AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 1407 Union Avenue, Memphis, TN – Trans. No. 07-06-902 (AL)

Purpose: To provide office space for county operations

Term: August 1, 2008 thru July 31, 2013 (5 yrs)

Proposed Amount: 15,359 Square Feet
Average Annual Contract Rent Incl.
Utilities & Janitorial Cost:: \$234,122.66 @\$15.24/sf
Total Annual Effective Cost: \$234,122.66 @\$15.24/sf

Current Amount: 15,359 Square Feet
Average Annual Contract Rent Incl.
Utilities & Janitorial Cost:: \$222,705.50 @\$14.50/sf
Total Annual Effective Cost: \$222,705.50 @\$14.50/sf

Type: New Lease – Advertised – Received only one (1) proposal from the current lessor

FRF Rate: \$18.00

Purchase Option: No

Lessor: G & IV Mid Memphis Tower, LLC

Comment: The proposed lease has ninety (90) day State cancellation except for cause and/or lack of funding. Lessor is to furnish utilities & janitorial services. Lessor is to make improvement at no additional cost to the State.

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF HUMAN SERVICES – TRC

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Carter County – 407 Cherokee Park Drive, Elizabethton, TN – Tran. No. 08-02-914 (JS)

Purpose: To provide office, shop and warehouse space for Tennessee Rehab Center

Term: October 1, 2008 thru September 30, 2018 (10 yrs)

Proposed Amount: 12,500 Square Feet

Annual Contract Rent:	\$39,480.00	@\$3.16/sf
Est. Annual Utility Cost:	\$17,500.00	<u>@\$1.40/sf</u>
Est. Annual Janitorial Cost:	<u>By Clients</u>	
Total Annual Effective Cost:	\$56,980.00	@\$4.56/sf

Current Amount: 12,500 Square Feet

Annual Contract Rent:	\$ 78,960.00	@\$6.32/sf
Est. Annual Utility Cost:	\$ 17,500.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 13,750.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$110,210.00	@\$8.82/sf

Type: New Lease – Negotiated with the City

FRF Rate: \$7.50

Purchase Option: No

Lessor: City of Elizabethton

Comment: The proposed lease has ninety (90) day State cancellation except for cause and/or lack of funding.

SSC Report: 07-14-08. Bob King summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 07-21-08. Subcommittee approved the transaction as presented.

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration